UBI Executive in Major Fraud

2652. SHRI RAMENDRA KUMAR YADAV "RAVI": Will the Minister of FINANCE be pleased to state:

(a) whether[1] Government's attention has been drawn to the item published in the Daily of Bambay dated the 18th June, 1993 under the caption "U.B.I, executive in major fraud";

(b) if so, what are the details thereof; and

(c) what is the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) and (c) The newspaper report refers to certain alleged irregularities and the role of the present Executive Director in transactions of Union Bank of India with one of its constituents, Reserve Bank of India (RBI) scrutiny of the concerned accounts has revealed that these were running accounts and advances were also realisable. Union Bank of India has reported that presently there are no overdues in these accounts. RBI scrutiny also reveals that the allegations against the present Executive Director were not borne out by facts.

Diversion of funds by Bihar

2653. SHRI SHTV PRATAP MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Bihar Government is diverting the funds from one head to another head to meet their requirements; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) According to the Bihar Government, theie is no diversion of fund from one head to another head. The State Government has also reported that all expenditure is incurred by the State under different heads provided in the annual Budget and that Only in exceptional cases, re-appropriation is allowed from one head to another.

Reduction in customs duty on auto parts

2654. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) what were the factors prompting Government to reduce the basic customs duty from 50 per cent to 25 per cent on parts and components for the manufacture of Light Commercial Vehicles;

(b) whether this would adversely affect the optimum indigenisation of LCV industry in the country and thus perpetuate stranglehole of Japanese auto component exporters; and

(c) whether Government have recently made any assessment of the technical capabilities of the local auto component industry towards import substitution and if so, the status thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY); (a) and (b) The basic customs duly on specified parts and components for the manufacture of light commercial vehicles (LCV) was reduced from 50 per cent to 25 per cent with effect from 21st July, 1993 in order to give relief to the LCV industry from the additional cost arising out of the counterveiling duty of customs leviable on the import of such parts and components with effect from 11th June, 1993. In view of this, the reduction in the customs